

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

<b>GE Capital Communication</b>	:	
<b>Services Corporation and GE</b>	:	
<b>Capital Telemanagement Services</b>	:	
<b>Corporation</b>	:	<b>01-0322</b>
	:	
<b>Petition for authority to reorganize</b>	:	
<b>and for approval, as necessary, of</b>	:	
<b>related transactions.</b>	:	

**ORDER**

By the Commission:

On April 16, 2001, GE Capital Communication Services Corporation ("GECCS") and GE Capital Telemanagement Services Corporation ("GECTS"), collectively hereinafter referred to as "Petitioners," filed a verified petition with the Illinois Commerce Commission ("Commission") seeking approval, to the extent necessary, of a reorganization pursuant to Section 7-204 of the Public Utilities Act ("Act"). The petition also seeks approval of the cancellation of GECCS' Certificates of Service authority to provide resold interexchange and local exchange telecommunications services, and the issuance of a certificate authorizing GECTS to provide resold interexchange telecommunications services throughout the State of Illinois pursuant to Section 13-404 of the Act.

Pursuant to due notice, a hearing was held in this matter before a duly authorized Hearing Examiner of the Commission at its offices in Springfield, Illinois on May 3, 2001. An appearance was entered by counsel on behalf of Petitioners. Meredith Gifford, Assistant Vice President-Regulatory Affairs and Assistant Secretary for GECCS, testified in support of the petition. At the conclusion of the hearing, the record was marked "Heard and Taken."

GECCS has been issued Certificates of Service Authority by the Commission on July 21, 1993 in Docket No. 93-0170, and on December 18, 1996 in Docket No. 96-0465 to provide resold interexchange and local exchange telecommunications services within the State of Illinois. GECTS is a wholly-owned subsidiary of GECCS. GECCS is a wholly-owned subsidiary of General Electric Capital Corporation, which in turn, is a wholly-owned subsidiary of General Electric Capital Services, Inc., which in turn, is a wholly-owned subsidiary of General Electric Company ("GE"). Pursuant to the contemplated reorganization, GECCS will merge into GECTS. GECCS will cease to exist as a separate corporate entity. Commission approval of the merger is not required since Section 13-101 of the Act provides that Article VII of the Act is not applicable to competitive telecommunications services in Illinois.

Petitioners seek approval of the cancellation of GECCS' Certificates, effective as of the date of the merger. In late April 2001, GECCS' interexchange customers were notified of its proposed discontinuance of service as part of the reorganization. A copy of the notice was admitted into evidence as Petitioner's Exhibit 1. GECCS does not have any local exchange customers in Illinois.

GECTS is a Georgia corporation. Copies of its articles of incorporation and certificate of authority to transact business as a foreign corporation in Illinois were submitted with the petition. GECTS seeks a Certificate of Service Authority to provide resold interexchange telecommunication services, effective as of the date of the merger. GECTS will change its name to GE Business Productivity Solutions, Inc.

GECTS presented evidence which demonstrates that it has the necessary technical, financial and managerial resources and abilities to provide resold interexchange telecommunications services in Illinois. GECTS will be managed by essentially the same team of experienced telecommunications personnel that managed GECCS. A description of their managerial qualifications was attached to the petition as Exhibit D. A copy of GE's Form 10-Q filed with the Securities and Exchange Commission ("SEC"), which includes financial information for GE and its consolidated affiliates through the third quarter of 2000, was attached to the petition as Exhibit E.

GECTS indicated that it will abide by all federal and state "slamming" and "cramming" statutes. GECTS also indicated that it will have procedures in place to prevent "slamming" and "cramming" prior to the commencement of the requested telecommunications services.

GECTS requests waivers of Part 710 and Part 735. Part 710 is entitled "Uniform System of Accounts for Telecommunications Carriers" ("USOA") and Part 735 is entitled "Procedures Governing the Establishment of Credit, Billing Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois." In seeking a waiver of Part 710, GECTS asserts that it would be unduly burdensome for it to report financial results using the USOA for its Illinois operations. GECTS commits to maintain its accounting records in accordance with generally accepted accounting principles ("GAAP"). GECTS requests a waiver of Part 735 with regard to interexchange services since this Part is not relevant to the provisioning of such services.

GECTS requests that it be allowed to keep its books and records at its headquarters in Atlanta, Georgia and not in Illinois under Section 250.20 of Part 250. GECTS indicates that it will maintain separate books for its operations in Illinois and will make that information available to Staff at Staff's request.

The Commission concludes that GECTS should be granted the requested certificate under Section 13-404 of the Act, as well as the requested waivers and variances. GECTS should be authorized to keep its books and records at its headquarters in Atlanta, Georgia. The Commission further concludes that GECCS' Certificates of Service Authority should be cancelled.

The Commission, having examined the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) GECCS was granted Certificates of Service Authority to provide resold interexchange and local exchange telecommunications services in Docket Nos. 93-0170 and 96-0465;
- (2) GECTS is a Georgia corporation authorized to conduct business in Illinois seeking a Certificate to provide, pursuant to Section 13-404 of the Act, resold and interexchange telecommunications services throughout Illinois;
- (3) the Commission has jurisdiction over Petitioners and the subject matter of this proceeding;
- (4) the recital of facts and conclusions reached in the prefatory portions of this Order are supported by the record and are hereby adopted as findings of fact;
- (5) GECCS' Certificates of Service Authority should be cancelled, effective as of the date of its merger into GECTS;
- (6) as required by Section 13-404, GECTS possesses sufficient technical, financial, and managerial resources and abilities to provide resold and interexchange telecommunications services within Illinois;
- (7) GECTS should be granted a waiver from 83 Ill. Adm. Code 710, concerning the Uniform System of Accounts, so long as GECTS maintains its records in accordance with generally accepted accounting principles; such waiver will reduce the economic burden of regulation and is consistent with the Act;
- (8) GECTS should be granted a waiver from 83 Ill. Adm. Code Part 735, which governs the establishment of credit, billing deposits, termination of service, and issuance of telephone directories for local exchange carriers;
- (9) GECTS should be permitted to maintain its books and records outside of Illinois at its headquarters in Atlanta, Georgia pursuant to 83 Ill. Adm. Code 250;
- (10) GECTS should file with the Commission the necessary tariffs, consisting of its rates, rules, and regulations to be effective upon proper filing, before commencing the proposed services;
- (11) Petitioners should file a verified report with the Commission that indicates the date on which the merger of GECCS into GECTS was consummated; the report should request cancellation of GECCS' tariffs.

IT IS THEREFORE ORDERED that the Certificates of Service Authority issued to GECCS in Docket Nos. 93-0170 and 96-0465 are cancelled, effective as of the date of the merger of GECCS into GECTS.

IT IS FURTHER ORDERED by the Commission that GECTS is hereby granted the following Certificate pursuant to Section 13-404 of the Act, effective as of the date of the merger of GECCS into GECTS:

CERTIFICATE OF SERVICE AUTHORITY

IT IS HEREBY CERTIFIED that GE Capital Telemanagement Services Corporation is authorized, pursuant to Section 13-404 of the Public Utilities Act, to provide resold interexchange telecommunications services within the State of Illinois.

IT IS FURTHER ORDERED that GECTS is granted a waiver from 83 Ill. Adm. Code 710 regarding the Uniform System of Accounts as set forth in Finding (7) above.

IT IS FURTHER ORDERED that GECTS is granted a waiver from 83 Ill. Adm. Code 735, as set forth in Finding (8) above, with respect to its provision of interexchange telecommunications services.

IT IS FURTHER ORDERED that GECTS is authorized to maintain its books and records at its headquarters in Atlanta, Georgia as described in the prefatory portion of this order pursuant to 83 Ill. Adm. Code 250.

IT IS FURTHER ORDERED that GECTS should file with this Commission the necessary tariffs, consisting of its rates, rules, and regulations to be effective upon proper filing, before commencing any of the proposed services.

IT IS FURTHER ORDERED that Petitioners shall file the report required in Finding (11) above.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 6th day of June, 2001.

Chairman